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SUBJECT: EAST JAVA: EDUCATION COOPERATION A PRIORITY FOR LOCAL  
OFFICIALS, ACADEMICS, AND BUSINESS LEADERS

SURABAYA 00000081 001.2 OF 002

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accordingly.

¶1. (SBU) Summary: During a July 4 visit to Surabaya, Ambassador Hume discussed the prospects for enhanced education cooperation between the U.S. and Indonesia with local officials, academics, and business leaders. All stressed the importance of establishing necessary infrastructure and institutions to take full advantage of educational exchanges and highlighted the need for practical skills that reflect economic development realities. Business leaders pointed to a need for vocational training aimed at local conditions. The Surabaya-Seattle Sister Cities representatives identified educational exchanges as one of three priorities for future cooperation. The Ambassador offered to support local efforts to develop public-private partnerships for education and cultural exchanges and noted the interest of Seattle-based businesses and organizations in increased cooperation with Indonesia. End Summary.

#### Educational Exchanges

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¶2. (SBU) In a roundtable discussion with Ambassador Hume, Surabaya businessmen and academics highlighted the importance of domestic reform and increased cooperation with U.S. institutions to strengthen Indonesia's educational system. With only 7,000 PhDs, Indonesia is at a disadvantage when competing for high-value investment or taking advantage of available exchange programs. As an example, Ambassador Hume noted that the Ministry of Health had only nominated three qualified people for 20 training slots in the United States. Kacung Marijan, a professor of political science at Airlangga University, noted that while the constitution mandated 20 percent of the national budget be spent on education, it wasn't simply a question of throwing government money at the problem. Priority should be placed on strengthening educational institutions and infrastructure to ensure that schools and universities were better prepared to take advantage of exchanges of people and ideas.

#### Private-Public Sector Paradigm

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¶3. (SBU) Ambassador Hume stressed that both Indonesia and the United States must benefit from institutional exchanges. If not, projects will die on the vine. He highlighted the importance of a private-public sector paradigm by which the government plays a facilitating and coordinating role that allows many types of interaction, exchanges, cooperation to take

place smoothly and effectively. For example, Stanford sends roughly 15 students a year to study in Indonesia, a program it runs without USG or Indonesian Government involvement. Wibisono Hardjopranoto, Rector of Surabaya University, agreed, noting that three Yale University students were currently in Surabaya studying the economic impact of the Sidoarjo mudflow. They had contacted Surabaya University directly through the internet.

14. (SBU) Kresnayana Yahya, Director of Enciety Consultants, stressed that education exchanges could be improved by focusing on projects that have a real impact on society and the lives of students. He suggested that the local Brantas river management project would benefit from examining the Tennessee Valley Authority and how it manages water supply issues across state borders. Frank Pandji, Director of PT Mepoly Industry Corp., stressed that vocational education had to target economic realities in a given area. It made no sense, he argued, to provide vocational training that did not match local industries or employment needs.

#### Seattle-Surabaya Sister City Association

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15. (SBU) In a separate meeting with Ambassador Hume, the Vice President of the Seattle-Surabaya Sister City Association (SSSCA) said Surabaya city government officials had identified educational exchanges as one on three priority areas for cooperation. The other two priorities are urban transportation planning and training of health care professionals and health care institution building. The University of Washington has an excellent teaching hospital that could partner with its Surabaya counterparts. The Ambassador offered to write a targeted letter of support for the SSSCA's efforts highlighting the lifting of the travel warning and encouraging public-private partnerships. There are a number of large, Washington state-based corporations with current of potential equities in Indonesia including

SURABAYA 00000081 002.2 OF 002

Boeing, Starbucks, Microsoft. (Note: Los Angeles and Jakarta have a sister-city relationship, which we are looking to expand. According to the Indonesian Consul in San Francisco, California and Yogyakarta have a sister-province/state relationship, which Indonesia is hoping to rejuvenate.)  
MCCLELLAND